

ASPIRA, Inc. OF NEW JERSEY

EXECUTIVE OFFICE
390 BROAD STREET, NEWARK, NEW JERSEY 07104 • 201-484-7554 • FAX 201-484-0184

BUILDING ON
TWO DECADES
OF SERVICE

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FERNANDO FUENTES
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Sol Masch & Company, CPA's
1830 Grand Avenue
Baldwin, NY 111510

Dear Mr. Masch:

Re: June, 1992 Financial
Statements - Notes

The following is our reply to the notes in our
Financial Statements for the fiscal year ending June
30, 1992.

A) Internal Control structure required by OMB Circ A-
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Observation - 1- The Executive Director did not
document approval of all cash
disbursements by signing the
related vouchers upon signing
checks.

Recommendation - That all cash disbursements
vouchers be signed by the
Executive Director.

Correction - Effective immediately all cash
disbursements vouchers will be
signed and approved by the
Executive Director before they
are paid.

Observation-2- Paid invoices are not, in general
marked to prevent reuse.

Recommendation - That paid invoices be rubber-
stamped "paid" or in some other
way cancelled to prevent reuse.

January 13, 1993

Correction - In 1990 the Fiscal Officer ordered a rubber stamp to be used in all original invoices. This measure was not consider necessary under the circumstances. Effective immediately, the fiscal officer will stamp all original bills paid.

1. Program: Act:

2. Balance: Previous \$

This check \$

New balance \$

3. Authorized:

4. Check #: Date:

Observation 3 - Uncollected grants receivable follow-up procedures should be improved.

Recommendation - That amounts submitted to the funding sources, which are not paid within a reasonable amount of time be followed-up for collection by either the fiscal officer or the bookkeeper.

Correction - This particular situation happened because the contract ended that month and no further operation made it visible once it was filed. Effective immediately, we will separate all contracts under these circumstances and will follow-up its collection.

Observation 4 - Detail records of property and equipment should be maintained.

Recommendation - Detail records and physical inventory should be taken at least as often as required by the various funding sources.

Correction - By February - March 1992, all the centers took a physical inventory of all the property in each office.

Observation 5 - Grantees are required to publish a policy statement and establish an ongoing drug-free awareness program which meets the requirements of the act.

Recommendation - That an individuals be appointed as responsible for compliance within the act.

Correction - A staff member will be assigned responsibility for compliance with the requirements of the act.

6. The functional expense breakdowns among the various classifications are made in the cash disbursements journal and posted in the general ledger under one classification. Starting in July 1992 a new set of accounts will be opened in the general ledger to post these classifications.

7. Some prior year adjustments were not posted in the general ledger.

Entries accruing expenses incurred in June or before that are paid in July-August have no effects in our records. However, this year all adjustment entries will be posted in the current general ledger.

Reply to December 14, 1992 letter/report from Sol Masch - Program Cases

Observation 1 - Title XX: The actual student caseload amounted to 9 less than the required amount.

Action - According to our data and report the Title XX funded program complied with caseload goal. This note was also brought to the attention of Roger Masch before the financial statement was printed. According to our student files staff recruited a total of 180 students. Please note that the target caseload was 50 students.

Observation 2 - Paterson DCA: The actual placement amounted to 3 less than the required amount.

Action - Staff have been instructed to follow-up with every eligible senior on the caseload by mid-year (Jan, 1993). After follow-up is conducted the counseling staff must submit monthly college application reports. This report highlights the number of students applying and what schools students are applying to.

Observation 3 - Trenton/Camden DCA: The actual student caseload amounted to 14 less than the required amount in Trenton and the actual student placement amounted to 4 less than the required amount in Camden.

Action - In the beginning of the year every staff was instructed to meet their recruitment goal by January, 1993. In regards to placement the same recommendations as indicated above will apply.

Observation 4 - Camden DCA: This program was administered in the same schools as another program funded by another governmental funding source which program also included recruiting and maintenance of a student caseload. There were instances in which students were recruited for and included in the statistics of both.

Action - In Camden the two programs that are being implemented are different focus. One program is solely to recruit students and ensure their likelihood of going to college. The other program is more preventive in nature and focuses on the leadership development of the participant. The former program's counseling is more academic in nature, while the latter program is more intensive in addressing personal problems.

5. Lease - As a result of the related party relationship between ASPIRA and the Endowment as well as the lack of a written Lease, an audit of the Chapter 2 grant year ended January 1992 resulted in disallowed rental expense.

Action - Management will determine and explain the possible effects of this relationship and disclosure thereof in future grants proposals.



Fernando Fuentes
Executive Director

LEASE AGREEMENT

THIS LEASE AGREEMENT, made the 1st day of July 1992 BETWEEN
ASPIRA FOUNDATION, a New Jersey non-profit corporation
residing or located at 390 BROAD ST in the city of NEWARK
in the county of ESSEX in the state of NEW JERSEY, herein
designated as the landlord,

ASPIRA INC. OF NEW JERSEY, a non profit organization organized under the laws of the state of New Jersey located at 390 BROAD ST in the city of NEWARK in the county of ESSEX in state of NEW JERSEY, herein designated as the Tenant;

witnesseth that the landlord does hereby lease to the tenant and the tenant does hereby rent from the landlord the following described premises:

6,000 square feet on the third (3rd) floor, as depicted on schedule "A" annexed hereto and made part hereof, of premises known as 390 BROAD ST. NEWARK, NEW JERSEY.

for a term of 1 YEAR
commencing on JULY 01, 1992, and ending on JULY 01, 1993
to be used and occupied only and for no other purpose than
general administrative and accounting offices.

UPON THE FOLLOWING CONDITIONS AND COVENANTS:

1st: The tenant covenants and agrees to pay to the landlord, as rent for and during the term hereof, the sum of:

\$ 50,000
\$ 5,000.00 for the month of JULY 01, 1992 and the like sum on
the first day of each consecutive month up to and including
July 1993.

2.2. In case of the destruction or severe damage to the plants in the treated premises, or its destruction or damage of any kind, whatever it is used to treat premises, caused by the abnormal, negligible or unpermitted use of part of the treatment or the treatment's components, reagents, preservatives, disinfectants, sanitizers or adjuvants, the FIRM shall replace the destroyed or damaged or replaced at regular or customized parts of the premises, as specified as possible, at the FIRM's own cost and expense.

2.3. No alterations, additions or improvements shall be made, and no ultimate repainting, and partitioning, sealing, closing, opening, demolishing, reconstructing, or changing anything in the premises and fixtures, shall be executed in or around the premises, without the prior written consent of the FIRM.

attached to the issued permit(s), unless the written request of the Landowner, Owner or other claimant specifies otherwise, may be included in the attached to the said permit(s), said lease(s) and/or documents. The Landowner, Owner or other claimant may at any time request that the appropriate authority amend the permit(s) without unnecessary documentation or inquiry.

181. The Federal small pay when due will be used to discharge the water or other liability held by the Comptroller which are or may be asserted upon the holder, provided that when any or more than one asserted by the Comptroller by his ministerial charge or by his attorney, and if two or more, such debts or charges shall be added to all debts payable by such ministerial charge or by his attorney.

RIDER TO LEASE AGREEMENT
DATED _____ BETWEEN
ASPIRA FOUNDATION BROAD ST. INC.
AND
ASPIRA INC. OF NEW JERSEY

In the event of any inconsistencies between the provisions of the printed form and this Rider, the provisions of this Rider shall control.

1. Tenant shall have the use of _____ twenty five (25%) of the available parking spaces upon the land of which the leased premises forms a part.
2. In the event that any payment of rent due hereunder shall be overdue for ten (10) days, a late charge of five (\$.05) cents for each dollar so overdue may be charged by the landlord for each month or part thereof that the same remains overdue commencing from his first day of the month. This charge shall be in addition to and not in lieu of any other remedy the landlord may have under the circumstances and is in addition to any reasonable fees and charges of any agents or attorneys Landlord may employ and require to be paid by Tenant as a result of any default in the payment of rent hereunder, whether authorized herein or by law. Any such late charges, if not previously paid, shall, at the option of the Landlord be added to and become part of the succeeding rent payment to be made hereunder and shall be deemed to constitute additional rent. Continuous late rent payments received by Landlord after the fifth day of the month, defined to mean more than three (3) such late rent payments during any lease year, shall be deemed an item of default under the termination of the lease, based on said default and any and all other remedies granted to the Landlord hereunder.
3. During the term of this lease, for as long as ASPIRA Inc., and White Lung Association are the only tenants at the premises, Tenant shall be responsible for payment of (a) fifty (50%) percent of all common area maintenance, replacement and repair charges and operating expenses, in each case relating to the land and building of which the leased premises is a part and incurred by Landlord and (b) fifty (50%) percent of all utility charges relating to the land and building of which the leased premises is a part. Upon the leasing of additional leased premises at the building, Tenant's fifty (50%) percent responsibility shall be reduced to the percentage determined by dividing 6,000 square feet by the spare feet occupied by the other tenants in the building. Payments due under this paragraph shall be made within ten (10) days of Tenant's

receipt of the invoice therefore.

4. During the term of this lease, Tenant shall be responsible for twenty-five (25%) percent of all real estate taxes and assessments relating to the land and building. The payment shall be made within ten (10) day of Tenant's receipt of Landlords invoice therefore. As per agreement, this amount will not exceed \$ 3.50 per square foot of the footage occupied by tenant.
5. It is the purpose and intent of the parties hereto that the rent shall be absolutely net to Landlord, so that this lease shall yield, net to Landlord, the rent specified on page 1 of the printed form and that all costs, expenses and obligations of every kind and nature whatsoever relating to the land and building which may arise or become due during or out of the term of this lease, shall be paid by the Tenant as additional rent on a percentage basis as specified in this Lease.
6. The parties mutually represent to each other that neither party has dealt with any broker in connection with this transaction.
7. All payments and charges due under this Lease, other than the basic rent on page 1 of the printed form shall be deemed additional rent.
8. Tenant acknowledges that it shall accept the leased premises in its "as is" condition.

ASPIRA, INC. OF NEW JERSEY
FISCAL REPORT
FOR THE SIX MONTHS PERIOD ENDING DEC. 1992

A. CASH OPERATIONS

	RECEIVED	PAID
July	\$ 115,859	\$ 88,348
Aug.	61,477	63,126
Sept.	106,106	70,850
Oct.	26,894	88,667
Nov.	71,154	52,563
Dec.	30,110	72,286
	\$ 411,600	435,840

BANK BALANCE

June Balance	\$ 38,511
Deposits	411,600
Payments	(435,840)
Dec. Balance	\$ 14,271
Cash Decrease	24,240